

AEP Amended Explanation NONE

HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2002

OF THE CONDITION AND AFFAIRS OF THE

TOTAL HEALTH CARE, INC.

NAIC Group Code	1238	1238	NAIC Company Code	95644	Employer's ID Number	382018957
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	UNITED STATES					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Date Incorporated or Organized	07/01/1973		Date Commenced Business	05/01/1976		
Statutory Home Office	3011 W. GRAND BLVD., STE. 1600		DETROIT, MI 48202			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office	3011 W. GRAND BLVD., STE. 1600					
	(Street and Number)					
	DETROIT, MI 48202		(313)871-2000-			
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	(SEE ABOVE)					
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records	(SEE ABOVE)					
	(Street and Number)					
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	totalhealthcareonline.com					
Statutory Statement Contact	NICOLE ROUSH, CPA		(313)871-7879-			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	NROUSH@THC-ONLINE.COM		(313)871-7406-			
	(E-Mail Address)		(Fax Number)			
Policyowner Relations Contact	3011 W. GRAND BLVD., STE. 1600					
	(Street and Number)					
	DETROIT, MI 48202		(313)871-2000-			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)(Extension)			

OFFICERS

Executive Director	LYLE ALGATE
Secretary	GERTRUDE MINKIEWICZ
Treasurer	MARY JANE CLAY
Co-Treasurer	JEANETTE ABBOTT
Medical Director	ROBYN J. ARRINGTON JR., M.D.

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

FRANCES LYNCH	MARY JANE CLAY
ELEANOR BETTS	DOUGLAS BAKER
GERTRUDE MINKIEWICZ	JEANETTE ABBOTT
RUBY COLE	KATHLEEN KATHER

State of Michigan
County of WAYNE ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)	(Signature)	(Signature)
LYLE ALGATE	GERTRUDE MINKIEWICZ	MARY JANE CLAY
(Printed Name)	(Printed Name)	(Printed Name)
Executive Director	Secretary	Treasurer
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[] No[X]
day of , 2002	b. If no,	1
	1. State the amendment number	01/17/2003
	2. Date filed	6
	3. Number of pages attached	
(Notary Public Signature)		

STATEMENT OF REVENUE AND EXPENSES

		Current Year to Date		Prior Year
		1	2	3
		Uncovered	Total	Total
1.	Member Months	X X X	463,432	651,940
2.	Net premium income	X X X	76,311,135	104,189,727
3.	Change in unearned premium reserves and reserve for rate credits	X X X .....	.....	.....
4.	Fee-for-service (net of \$..... medical expenses)	X X X .....	.....	.....
5.	Risk revenue	X X X .....	.....	.....
6.	Aggregate write-ins for other health care related revenues	X X X .....	.....	.....
7.	TOTAL REVENUES (Lines 2 to 6)	X X X	76,311,135	104,189,727
Medical and Hospital:				
8.	Hospital/medical benefits .....	.....	47,872,167	67,742,377
9.	Other professional services .....	.....	1,393,927	3,710,462
10.	Outside referrals .....	.....	.....	.....
11.	Emergency room and out-of-area .....	.....	6,376,723	9,254,712
12.	Prescription drugs .....	.....	8,533,157	10,551,191
13.	Aggregate write-ins for other medical and hospital .....	.....	271,973	335,478
14.	Incentive pool and withhold adjustments .....	.....	361,391	664,895
15.	Subtotal (Lines 8 to 14) .....	.....	64,809,338	92,259,115
LESS:				
16.	Net reinsurance recoveries .....	.....	138,223	171,137
17.	Total medical and hospital (Lines 15 minus 16) .....	.....	64,671,115	92,087,978
18.	Claims adjustment expenses .....	.....	210,733	335,976
19.	General administrative expenses .....	.....	10,325,918	16,462,800
20.	Increase in reserves for accident and health contracts .....	.....	.....	.....
21.	Total underwriting deductions (Lines 17 through 20) .....	.....	75,207,766	108,886,754
22.	Net underwriting gain or (loss) (Lines 7 minus 21)	X X X	1,103,369	(4,697,027)
23.	Net investment income earned .....	.....	244,284	708,581
24.	Net realized capital gains or (losses) .....	.....	.....	.....
25.	Net investment gains or (losses) (Lines 23 plus 24) .....	.....	244,284	708,581
26.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....), (amount charged off \$.....)] .....	.....	.....	.....
27.	Aggregate write-ins for other income or expenses .....	.....	1,365	551
28.	Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....	.....	1,349,018	(3,987,895)
29.	Federal and foreign income taxes incurred	X X X .....	.....	.....
30.	Net income (loss) (Lines 28 minus 29)	X X X	1,349,018	(3,987,895)
DETAILS OF WRITE-INS				
0601	.....	X X X .....	.....	.....
0602	.....	X X X .....	.....	.....
0603	.....	X X X .....	.....	.....
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X .....	.....	.....
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X .....	.....	.....
1301.	Other Expense .....	.....	271,973	335,478
1302	.....	.....	.....	.....
1303	.....	.....	.....	.....
1398.	Summary of remaining write-ins for Line 13 from overflow page .....	.....	.....	.....
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	.....	271,973	335,478
2701.	Miscellaneous Revenues .....	.....	1,365	551
2702	.....	.....	.....	.....
2703	.....	.....	.....	.....
2798.	Summary of remaining write-ins for Line 27 from overflow page .....	.....	.....	.....
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above) .....	.....	1,365	551

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year to Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
31.	Capital and surplus prior reporting year	4,547,268	5,458,899
GAINS AND LOSSES TO CAPITAL & SURPLUS			
32.	Net income or (loss) from Line 30	1,349,018	(3,987,895)
33.	Change in valuation basis of aggregate policy and claim reserves		
34.	Net unrealized capital gains and losses	(247,977)	23,144
35.	Change in net unrealized foreign exchange capital gain or (loss)		
36.	Change in net deferred income tax		
37.	Change in nonadmitted assets	531,520	3,053,120
38.	Change in unauthorized reinsurance		
39.	Change in treasury stock		
40.	Change in surplus notes		
41.	Cumulative effect of changes in accounting principles		
42.	Capital Changes:		
42.1	Paid in		
42.2	Transferred from surplus (Stock Dividend)		
42.3	Transferred to surplus		
43.	Surplus adjustments:		
43.1	Paid in		
43.2	Transferred to capital (Stock Dividend)		
43.3	Transferred from capital		
44.	Dividends to stockholders		
45.	Aggregate write-ins for gains or (losses) in surplus		
46.	Net change in capital and surplus (Lines 32 to 45)	1,632,561	(911,631)
47.	Capital and surplus end of reporting period (Line 31 plus 46)	6,179,829	4,547,268
DETAILS OF WRITE-INS			
4501	.....	
4502	.....	
4503	.....	
4598.	Summary of remaining write-ins for Line 45 from overflow page		
4599.	TOTALS (Lines 4501 through 4503 plus 4598) (Line 45 above)		

CASH FLOW

		1	2
		Current	Prior
		Year To Date	Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance	75,850,851	104,710,944
2.	Claims and claims adjustment expenses	58,524,016	91,193,737
3.	General administrative expenses paid	10,325,918	16,453,467
4.	Other underwriting income (expenses)	(1,420,171)	(2,561,376)
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4)	5,580,746	(5,497,636)
6.	Net investment income	240,734	792,412
7.	Other income (expenses)	1,365	551
8.	Federal and foreign income taxes (paid) recovered		
9.	Net cash from operations (Lines 5 to 8)	5,822,845	(4,704,673)
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1	Bonds		
10.2	Stocks		
10.3	Mortgage loans		
10.4	Real estate		2,344,426
10.5	Other invested assets		34,000
10.6	Net gains or (losses) on cash and short-term investments		
10.7	Miscellaneous proceeds		1,000,000
10.8	TOTAL investment proceeds (Lines 10.1 to 10.7)		3,378,426
11.	Cost of investments acquired (long-term only):		
11.1	Bonds		
11.2	Stocks		
11.3	Mortgage loans		
11.4	Real estate		
11.5	Other invested assets		
11.6	Miscellaneous applications		
11.7	TOTAL investments acquired (Lines 11.1 to 11.6)		
12.	Net cash from investments (Line 10.8 minus Line 11.7)		3,378,426
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1	Surplus notes, capital and surplus paid in		
13.2	Net transfers from affiliates		
13.3	Borrowed funds received		
13.4	Other cash provided	411,786	1,285,988
13.5	TOTAL (Lines 13.1 to 13.4)	411,786	1,285,988
14.	Cash applied:		
14.1	Dividends to stockholders paid		
14.2	Net transfers to affiliates		800,000
14.3	Borrowed funds repaid		
14.4	Other applications		
14.5	TOTAL (Lines 14.1 to 14.4)		800,000
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5)	411,786	485,988
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15)	6,234,631	(840,259)
17.	Cash and short-term investments:		
17.1	Beginning of period	16,671,488	17,511,747
17.2	End of period (Line 16 plus Line 17.1)	22,906,119	16,671,488

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	49,424		3,488				503		45,433	
2. First Quarter	49,975		3,521				601		45,853	
3. Second Quarter	51,821		4,295				614		46,912	
4. Third Quarter	54,563		5,350				626		48,587	
5. Current Year										
6. Current Year Member Months	463,432		37,441				5,487		420,504	
Total Member Ambulatory Encounters for Period:										
7. Physician	61,761		8,074				1,183		52,504	
8. Non-Physician	19,476		2,027				297		17,152	
9. Total	81,237		10,101				1,480		69,656	
10. Hospital Patient Days Incurred	5,418		(207)				(30)		5,655	
11. Number of Inpatient Admissions	1,260		(94)				12		1,342	
12. Premiums Collected	75,850,851		4,452,439				662,530		70,735,882	
13. Premiums Earned	76,311,135		4,961,939				737,198		70,611,998	
14. Amount Paid for Provision of Health Care Services	58,767,641		3,143,930				488,549		55,135,162	
15. Amount Incurred for Provision of Health Care Services	64,671,115		3,620,876				558,446		60,491,793	

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.			1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date			
					3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums
1.	Alabama	AL	No	No				
2.	Alaska	AK	No	No				
3.	Arizona	AZ	No	No				
4.	Arkansas	AR	No	No				
5.	California	CA	No	No				
6.	Colorado	CO	No	No				
7.	Connecticut	CT	No	No				
8.	Delaware	DE	No	No				
9.	District of Columbia	DC	No	No				
10.	Florida	FL	No	No				
11.	Georgia	GA	No	No				
12.	Hawaii	HI	No	No				
13.	Idaho	ID	No	No				
14.	Illinois	IL	No	No				
15.	Indiana	IN	No	No				
16.	Iowa	IA	No	No				
17.	Kansas	KS	No	No				
18.	Kentucky	KY	No	No				
19.	Louisiana	LA	No	No				
20.	Maine	ME	No	No				
21.	Maryland	MD	No	No				
22.	Massachusetts	MA	No	No				
23.	Michigan	MI	No	Yes	4,961,939		70,611,998	737,198
24.	Minnesota	MN	No	No				
25.	Mississippi	MS	No	No				
26.	Missouri	MO	No	No				
27.	Montana	MT	No	No				
28.	Nebraska	NE	No	No				
29.	Nevada	NV	No	No				
30.	New Hampshire	NH	No	No				
31.	New Jersey	NJ	No	No				
32.	New Mexico	NM	No	No				
33.	New York	NY	No	No				
34.	North Carolina	NC	No	No				
35.	North Dakota	ND	No	No				
36.	Ohio	OH	No	No				
37.	Oklahoma	OK	No	No				
38.	Oregon	OR	No	No				
39.	Pennsylvania	PA	No	No				
40.	Rhode Island	RI	No	No				
41.	South Carolina	SC	No	No				
42.	South Dakota	SD	No	No				
43.	Tennessee	TN	No	No				
44.	Texas	TX	No	No				
45.	Utah	UT	No	No				
46.	Vermont	VT	No	No				
47.	Virginia	VA	No	No				
48.	Washington	WA	No	No				
49.	West Virginia	WV	No	No				
50.	Wisconsin	WI	No	No				
51.	Wyoming	WY	No	No				
52.	American Samoa	AS	No	No				
53.	Guam	GU	No	No				
54.	Puerto Rico	PR	No	No				
55.	U.S. Virgin Islands	VI	No	No				
56.	Canada	CN	No	No				
57.	Aggregate other alien	OT	X X X	X X X				
58.	TOTAL (Direct Business)		X X X	(a) 1	4,961,939		70,611,998	737,198
DETAILS OF WRITE-INS								
5701			X X X	X X X				
5702			X X X	X X X				
5703			X X X	X X X				
5798.	Summary of remaining write-ins for Line 57 from overflow page		X X X	X X X				
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)		X X X	X X X				

(a) Insert the number of yes responses except for Canada and Other Alien.